AES

the power of being global

An Overview of AES Management of Environmental Impact Assessments

Energy Development in the G.M.S. Conference

Phnom Penh, Cambodia, September 29-30, 2009

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Certain statements in the following presentation regarding AES's business operations may constitute "forward-looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute AES's current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to accurate projections of future interest rates, commodity prices and foreign currency pricing, continued normal or better levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth from investments at investment levels and rates of return consistent with prior experience. For additional assumptions see the Appendix to this presentation. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in AES's filings with the Securities and Exchange Commission including but not limited to the risks discussed under Item 1A "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, as well as our other SEC filings. AES undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Agenda

- Presentation of the AES Corporation
- Overview of EIA Practices at AES
- Case Study 1: Amman East 380 MW combined cycle plant
- Case Study 2: Mong Duong 1,200 MW greenfield coal project
- Case Study 3: Masinloc 600 MW operating coal-fired plant
- Take aways

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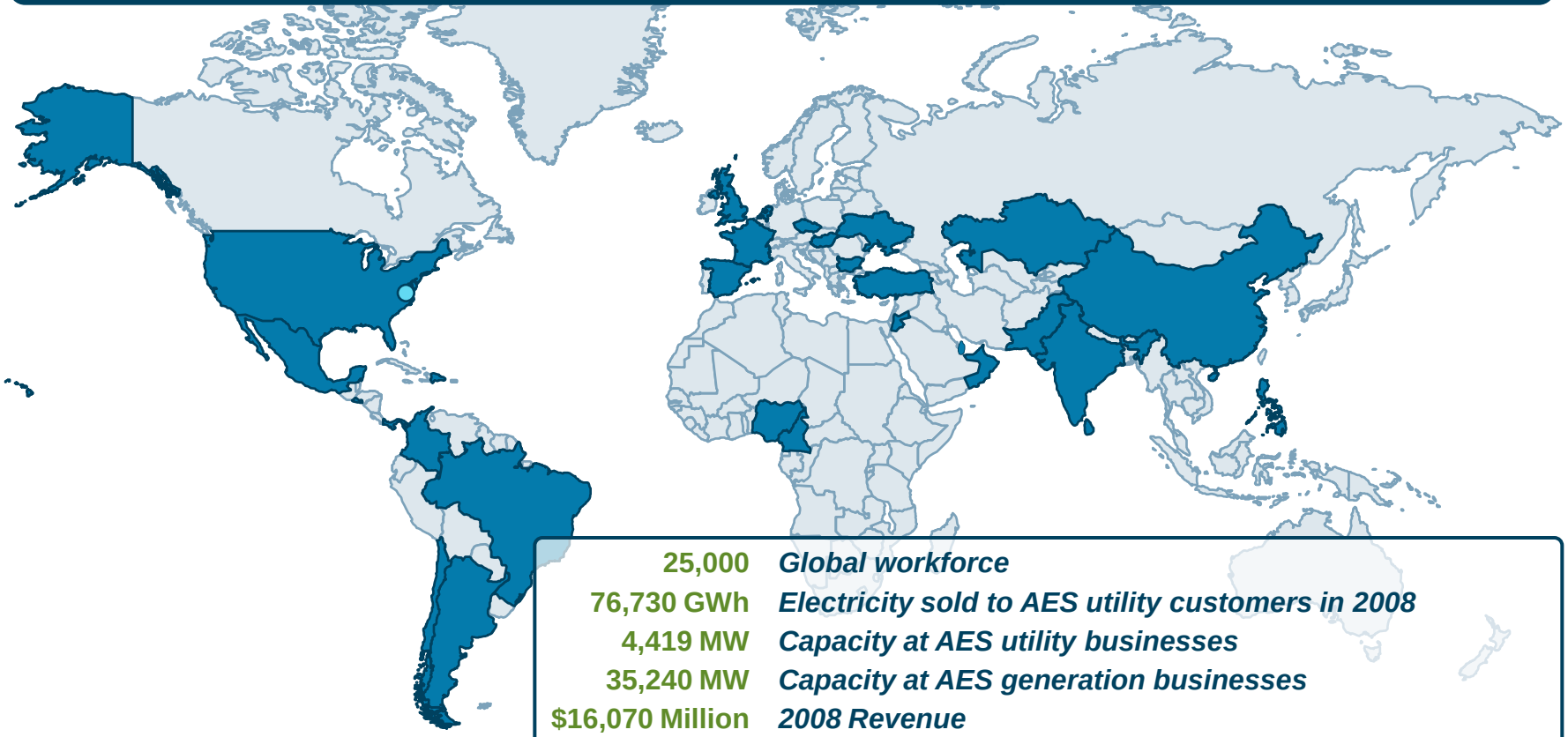
Take aways

About The AES Corporation: Global Operations

The AES Corporation is a Fortune 500 global power company with generation and distribution businesses. Through our diverse portfolio of thermal and renewable fuel sources, we safely provide affordable and sustainable energy in 29 countries.



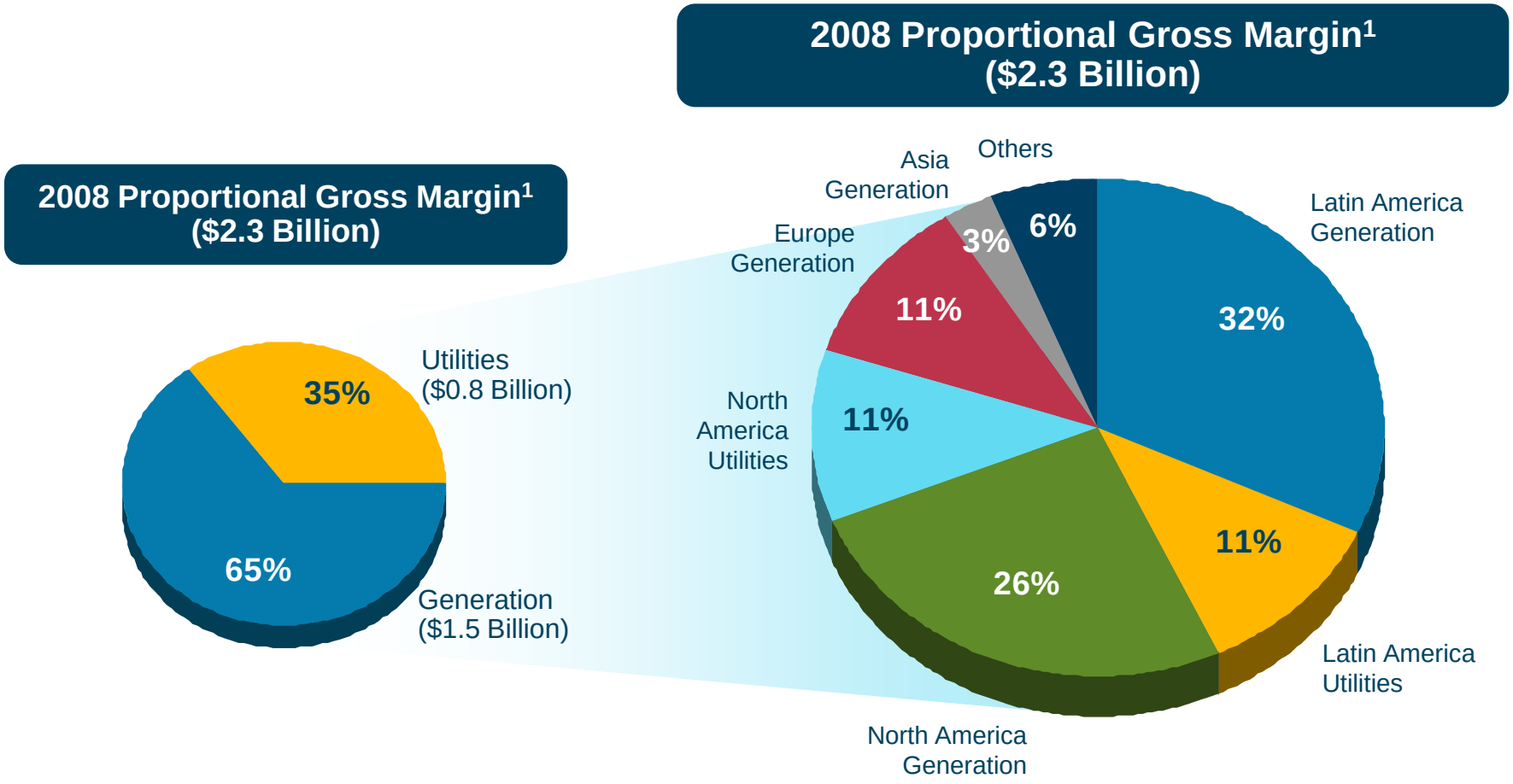
25,000	*Global workforce*
76,730 GWh	*Electricity sold to AES utility customers in 2008*
4,419 MW	*Capacity at AES utility businesses*
35,240 MW	*Capacity at AES generation businesses*
$16,070 Million	*2008 Revenue*

Key ○ AES Headquarters ■ AES Operations

Key Summary Points About AES

- Diversified mix of businesses results in stable cash flow to the Parent
- Asset base diversified across
  - Generation and Utility operations
  - Multiple markets
  - Various fuel types and technologies
- Significant opportunities in global energy going forward
  - More than 2,500 MW under construction
  - Development pipeline

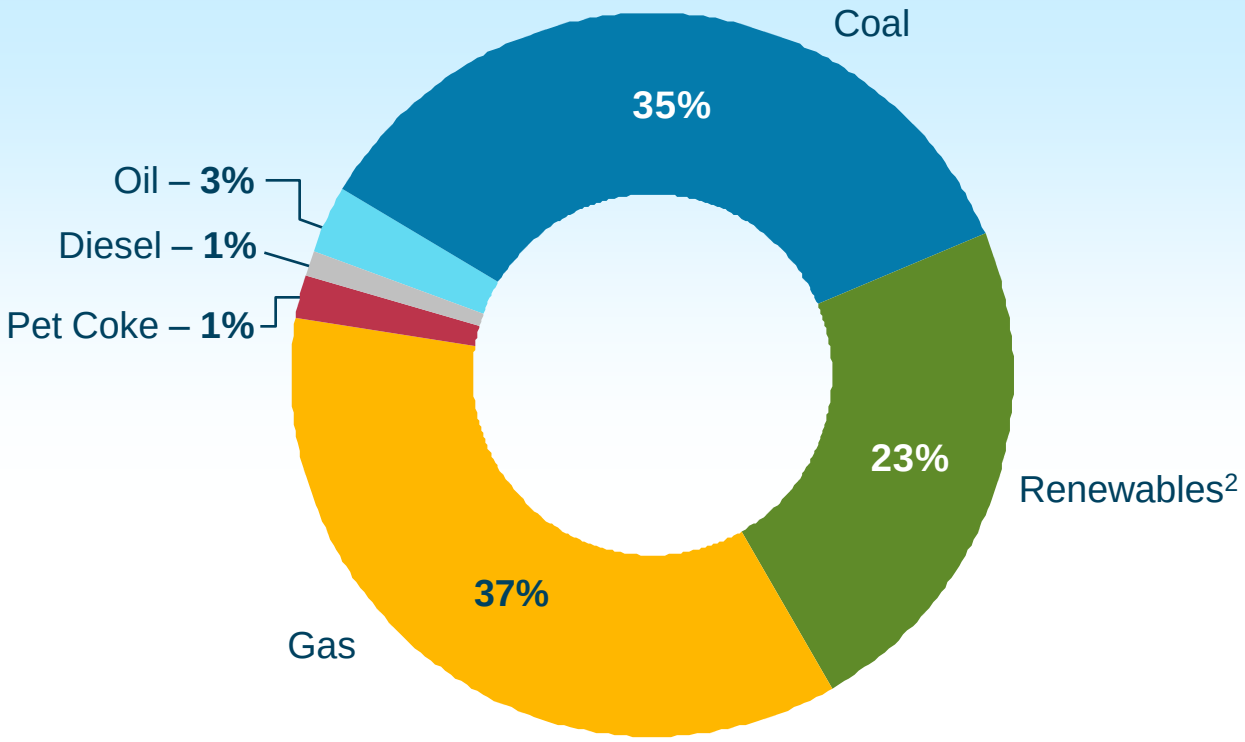
Diverse Portfolio: Businesses in Multiple Markets



1. A non-GAAP financial measure. See Appendix for definition and reconciliation.

Diverse Portfolio: Businesses Utilize Multiple Fuel Types

Current Portfolio by Fuel Type (MW[1])



60% of Our Capacity Is in Natural Gas & Renewables

1. 39,659 MW (gross) in operation under generation and utilities segments.
2. Renewables include biomass, hydro, solar and wind.

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AES Vision: Provide Affordable and Sustainable Energy

- World's largest operator of Circulating Fluidized Bed (CFB) technology
  - 7 CFB plants in North America, total capacity 1,850 MW
  - CFB technology reduces emissions compared to PC plants
    - SOx: 95% of sulfur captured without the need for external scrubber, with limestone injection in combustion bed
    - NOx: reduced NOx emissions due to lower operating temperature in the boiler (750-900C)

- Strong focus on renewable energy
  - Wind
    - 1,352 MW in operation (3.4% of total installed capacity)
    - 476 MW in construction (17.4% of plants under construction)
    - 6,400 MW in development pipeline
  - Solar
    - 32 MW in operation
    - 860 MW in development pipeline

AES Principles for Environmental Impact Assessment

- Raising the bar for operating plants
  - Improve emission control systems
    - In New York, AES invested more than $150 million to emission control projects since 1999
    - AES is currently investing $50 million at Westover plant in state-of-the-art multi-emission control technology (SO2, NOx, mercury) especially designed for small-size coal plants
  - Biomass co-firing
    - Conventional PC boilers can operate with no major modification with 5-10% biomass
    - Projects at various AES plants, including AES Greenidge plant in New York
  - ISO 14001 certification
    - Most AES plants either certified, or under process of certification
  - Upgrade recently acquired plants
    - Masinloc 600 MW coal-fired plant in the Philippines (Case Study 3)

AES Principles for Environmental Impact Assessment

- High standards for greenfield projects
  - Air emission control
    - Meet the most stringent of World Bank guidelines and local environmental standards
    - Development of Environment Management Plan to monitor equipment and control emissions pre-construction, during construction and operation
    - Holistic approach to CO2 emission control
      - Possibility to offset CO2 emissions with carbon credits produced by AES climate solution group
      - Use of supercritical technology, with higher efficiency
      - Leave option open for carbon capture and sequestration where storage sites are available
  - Water preservation
    - State-of-the-art waste water treatment plant
    - Water conservation
      - Air-cooled condenser
      - Beneficial use of waste water
      - Optimization of plant water consumption
  - Corporate Social Responsibility
    - Involvement of all project stakeholders

Methodology for EIA Study

- EIA scoping
  - Site visit by EIA team members and meeting with project stakeholders
  - Identification of issues to be included into EIA study
  - Finalization of methodologies for primary and secondary data collection
- Secondary data collection and review
  - Comprehensive literature study to determine existing data on environmental and social conditions in study area
  - Collection and review of published and unpublished data source across full range of EIA issues
- Primary data collection and review
  - Terrestrial ecology field survey with focus on species presence
  - Groundwater, soil, surface water air quality sampling
  - Noise level calculations
  - Aquatic ecology field survey
  - Socio-economic survey of potentially affected households

Methodology for EIA Study

- Computer simulation and mathematical modeling
  - Flood, sediment dispersion, air dispersion and thermal plume modeling
- Public consultation and information disclosure
  - Public meetings and discussions with individual households
- Environmental Impact Assessment
  - For each of the issues identified during EIA scoping, identification of potential negative and positive impact on surrounding environment
  - Cumulative and regional impact also identified
- Economic Assessment
  - Cost/benefit analysis of environmental protection equipments to determine optimal configuration from technico-economic perspective
- Development of Environment Monitoring and Mitigation Plan (EMMP)
  - Environmental control and monitoring measures during pre-construction, construction, and operation
  - Developed in consultation with stakeholders (off-taker, suppliers, local authorities)

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Amman East 380 MW Combined Cycle Plant

- Air emissions
  - Use of Dry Low-Nox burners to exceed World Bank standards

	World Bank limit	Performance Test results
NOx	125 mg/Nm3	40-80 mg/Nm3
SO2	2000 mg/Nm3	3-5 mg/Nm3

- Environmental Monitoring and Mitigation Plan (EMMP)
  - Semiannual measurements by third party of air quality, effluent discharge, water quality, noise level, and reporting to lenders and AES Corp
  - Applies during construction and operation
- Water treatment
  - All effluents treated in automated waste water treatment plant, and sent to Evaporation pond
  - Water from evaporation pond used for irrigation system and irrigation of tree planting area on plant site

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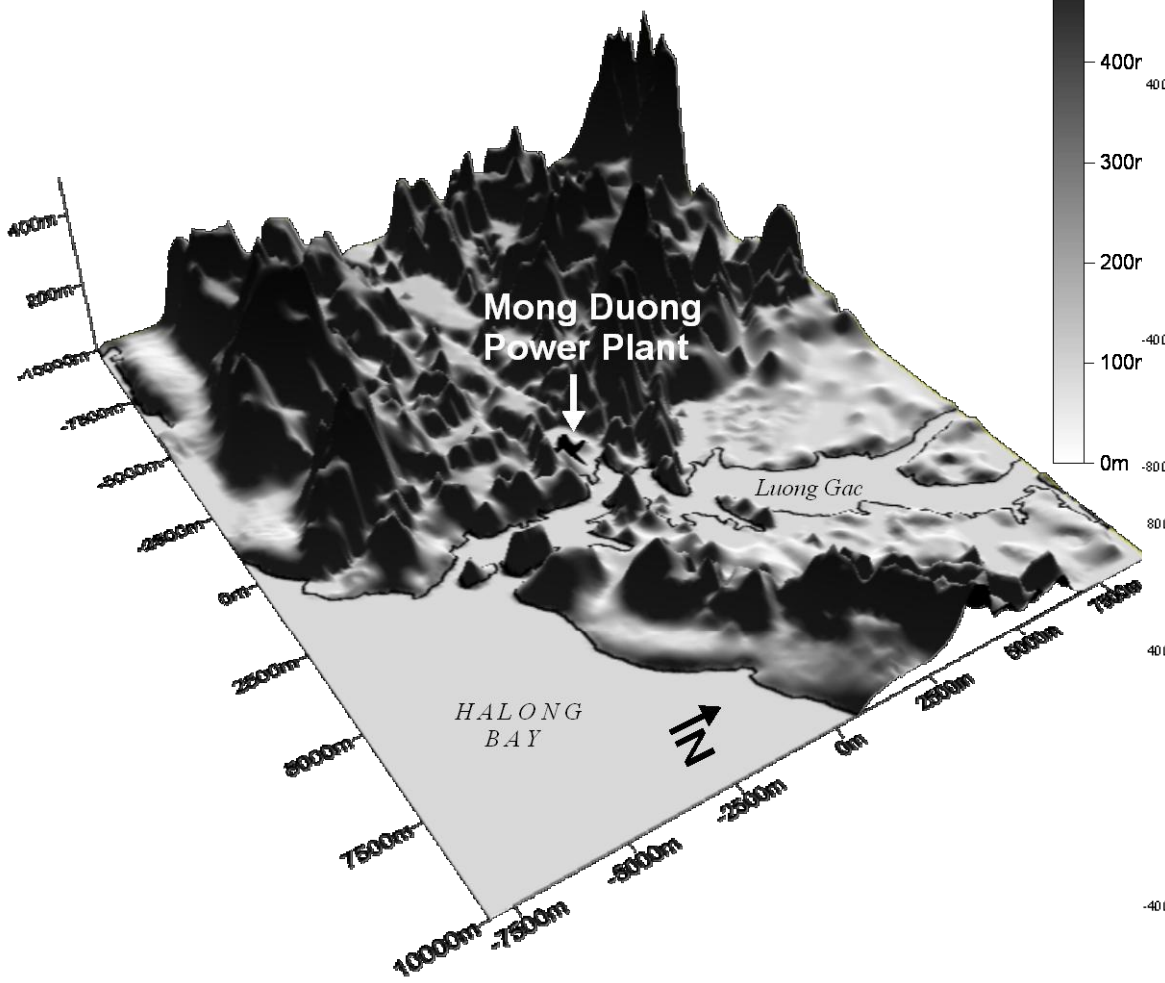
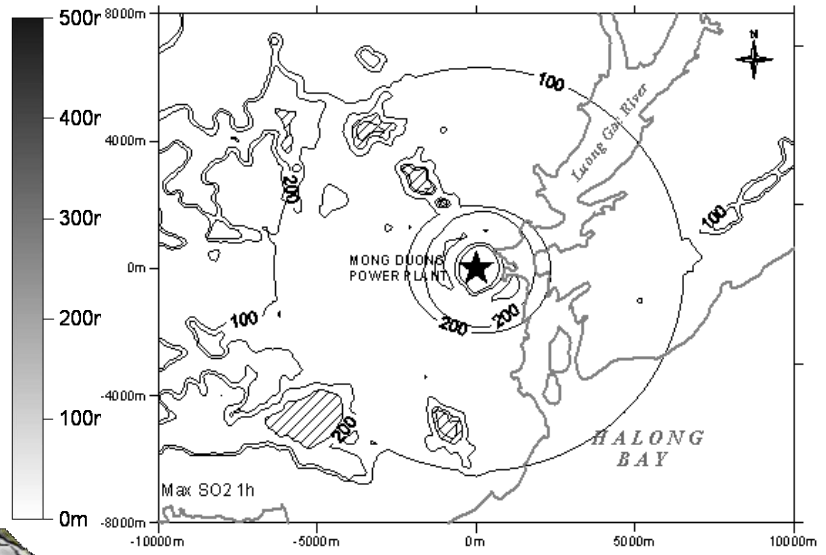
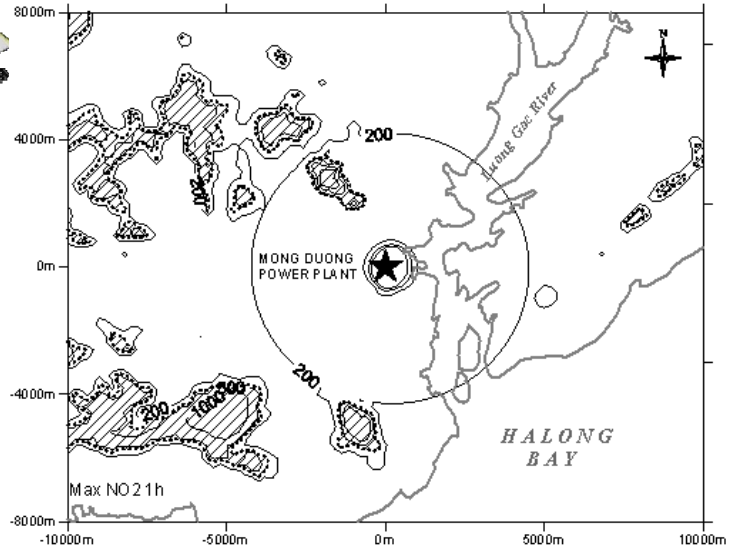
Mong Duong 1,200 MW Greenfield Coal Project

- Mong Duong project
  - 1,200 MW mine mouth coal-fired project located in Quang Ninh province of Vietnam, using local anthracite coal
  - Project developed under Build-Own-Transfer scheme by AES and Vinacomin, state-owned coal mining and mineral industries group
- EIA status
  - EIA approved by Ministry of Natural Resources and Environment (MONRE) in 2007
- Environmental mitigation equipments considered
  - Wet Flue Gas Desulphurization equipment (limestone)
  - Selective Catalyst Reactor (SCR) for NOx emission control
  - Electro-Static Precipitator (ESP) for particulates emission control
  - Wet ash disposal

Examples of Air Modeling for Mong Duong







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Masinloc 600 MW Operating Coal-Fired Plant

- Masinloc plant was acquired by AES in April 2008 from PSALM
- The plant had numerous compliance issues
  - Permitting
  - Stack emissions (ESPs, CEMS)
  - Wastewater (treatment plant, stormwater system)
  - Waste management (ash collection and disposal, solid waste)
  - Contaminated soil and groundwater, marine impacts
- AES created and executed remediation action plan
  - Maintain permits
  - Refurbishment of ESPs and CEMS
  - Refurbishment of waste water treatment plant
  - Remediation of contaminated areas
  - Develop Environmental Monitoring System (EMS)

Masinloc 600 MW Stack Emissions

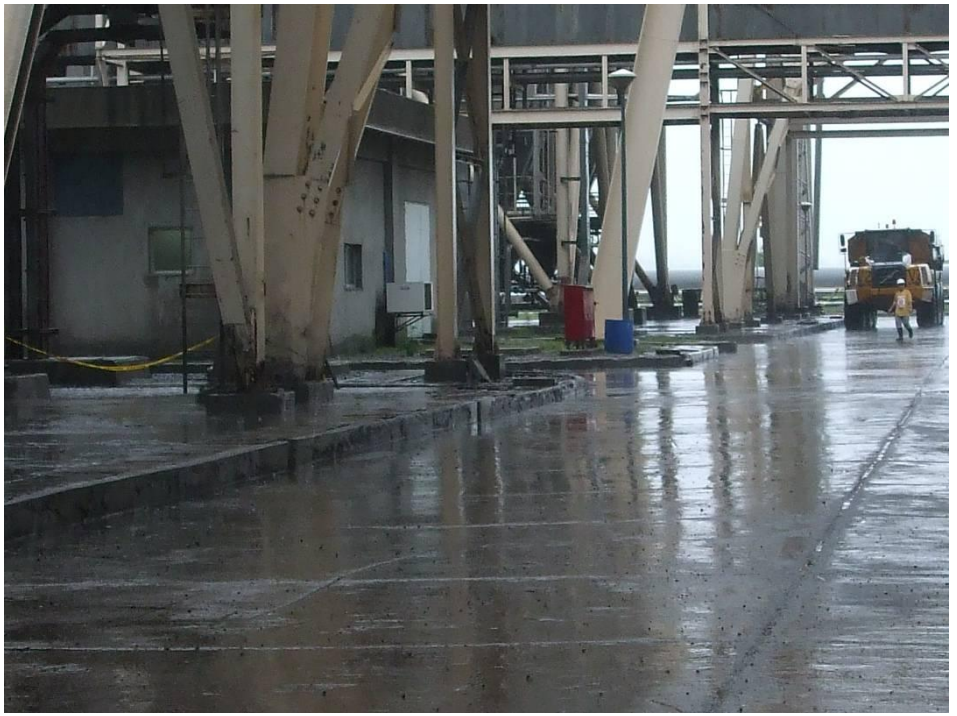
Before

After

Masinloc 600 MW Ash Collection System

Before

After



Masinloc 600 MW Ash Collection System

Before

After

Masinloc 600 MW Coal Storage

Before

After

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Key Take Aways

- AES commitment to high environmental standards
  - For both operating plants (upgrade) and greenfield projects
  - World Bank standards for emission limits
- EIA an important tool for project developers
  - Stakeholder consultation (local communities, government authorities, utility and infrastructure providers, interested groups and organization, …)
  - Comprehensive review of project environmental impact and management measures
    - Land and soil, groundwater, vegetation and flora, fauna, air quality, noise, social factors, cultural heritage, …
  - Environmental Monitoring and Mitigation Plan followed during project operating life